
OLR Bill Analysis

sSB 22 (File 459, as amended by Senate "A")*

AN ACT CONCERNING THE CAPITAL REGION DEVELOPMENT AUTHORITY

SUMMARY:

This bill redesignates the quasi-public Capital City Economic Development Authority (CCEDA) as the Capital Region Development Authority (CRDA), preserving many of CCEDA's powers, duties, and functions, including the authority to issue bonds. CCEDA currently oversees several completed and ongoing development projects in a statutorily designated area in Hartford (i.e., the Capital City Economic Development District). Its duties include advising state agencies on development projects proposed in the district.

The bill expands the district and the range of eligible projects and allows CRDA to plan and implement some of these projects outside the district. It authorizes CRDA to (1) develop and redevelop property anywhere in Hartford, (2) develop riverfront improvements anywhere in Hartford and East Hartford, (3) demolish and redevelop vacant buildings in East Hartford, and (4) increases the number of housing units CRDA may construct or rehabilitate in the district. To plan and implement these projects, the bill gives CRDA the same powers current law gives CCEDA to plan and implement specified capital district projects.

In redesignating CCEDA as CRDA, the bill:

1. replaces CCEDA's seven member board with a 13-member board that includes municipal representatives;
2. designates Hartford and its seven contiguous towns as the capital region;
3. expands the project planning, monitoring, and evaluation duties

transferred to CRDA;

4. assigns additional duties to CRDA that differ from those assigned to CCEDA, including managing facilities and promoting tourism;
5. shifts specified administrative duties from the Office of Policy and Management (OPM) secretary to the Department of Economic and Community Development (DECD) commissioner;
6. eliminates an obsolete reporting requirement; and
7. makes many technical and conforming changes.

Lastly, the bill extends by four years, from June 30, 2013, to June 30, 2017, the deadline for the State Bond Commission to issue up to \$115 million in state general obligation bonds for DECD to fund specified projects in the Capital City Economic Development District (§22). The projects are the civic center and coliseum complex reconstruction, riverfront infrastructure development, housing rehabilitation and new construction, demolition and redevelopment, and parking.

*Senate Amendment "A":

1. makes the entire bill effective upon passage;
2. increases the number of downtown housing units from 1,000 to 3,000;
3. extends CRDA's authority to develop and redevelop property from the district to anywhere in Hartford;
4. expands the Capital City Economic Development District;
5. specifies that the terms of CCEDA's current board members expire on the bill's effective date;
6. makes changes to CRDA's board members' appointing authorities and CRDA's statutory purposes and powers, including giving CRDA specific powers to plan, implement, and

operate facilities; and

7. expands CRDA's project planning, monitoring, evaluation, and reporting functions.

EFFECTIVE DATE: Upon passage

§ 9 — BOARD

Appointment

The bill creates a new larger board to oversee CRDA. The CCEDA board consists of seven members appointed jointly by the governor and legislative leaders, one of whom is recommended by Hartford's mayor. The board's chairperson is appointed by the governor. Under the bill, the terms of all the board members expire upon the bill's effective date.

Under the bill, CRDA's 13-member board consists of the Hartford and East Hartford mayors, eight appointed members, and three ex-officio members. The appointed serve four-year terms except the initial members, who serve staggered terms. After the initial terms, all members serve four-year terms and may be reappointed.

Table 1 lists the voting members, their appointing authority, and their initial terms. As the table shows, the House speaker and House minority leader jointly appoint one member, as do the Senate president pro tempore and the Senate minority leader.

Table 1: CRDA Voting Members

Appointing Authority	Number of Appointments	Initial Terms
Governor	Four	Four years
Hartford Mayor	Two: 1. One Hartford resident 2. One City of Hartford nonelected employee	Three years
House Speaker and	One	Two years

Senate President Pro Tempore (jointly)		
House and Senate minority leader (jointly)	One	Two years

The appointing authorities must make their initial appointments within 15 days after the bill's effective date.

The ex-officio members are the OPM secretary and the DECD and Department of Transportation commissioners or their designees.

The governor designates the board's chairperson.

Conflict of Interest

The bill applies and expands the conflict of interest prohibition that currently applies to CCEDA's board. Like current law, it prohibits CRDA board members from having or acquiring a financial interest in any CRDA project in the Capital City Economic Development District or in any contract for materials and services to be used in these projects.

The bill also prohibits the members from having or acquiring a financial interest in any CRDA project in the eight-town capital region, not just the Capital City Economic Development District, or in any contract for materials and services to be used in these projects.

§ 8 — GEOGRAPHIC JURISDICTION

The bill authorizes CRDA to undertake development activities in two overlapping areas. It designates Hartford and its adjacent municipalities (i.e., Bloomfield, East Hartford, Newington, South Windsor, West Hartford, Wethersfield, and Windsor) as the "Capital Region" and, as discussed below, specifies the activities CRDA must undertake in this region.

The bill also enlarges the Capital City Economic Development District, where current law requires CCEDA to plan and implement specific projects described below. The district currently covers the area

between the Connecticut River from the Bulkeley Bridge south to, but not including, Dillon Stadium and Colt Park, and west to the State Capitol and the railroad right-of-way intersection. The bill expands the district westward to cover an area bounded by Park Street to the south, Laurel and Forrest streets to the west, Farmington and Asylum avenues to the north, and the State Capitol area to the east.

§ 10 — PURPOSES

CRDA's mission is narrower than CCEDA's, but its duties are broader. Under current law, CCEDA must:

1. stimulate new investment in Connecticut and diversify its economy;
2. attract both large and local conventions, tradeshow, and exhibitions;
3. strengthen Hartford's role as a regional employment and government center;
4. encourage residential development in downtown Hartford; and
5. construct, operate, maintain, and market the convention center to further the region's economic development.

Under the bill, CRDA must:

1. stimulate economic development and new investment in the capital region, not statewide, as current law requires of CCEDA;
2. develop and redevelop property in Hartford;
3. help these municipalities, upon request of their legislative bodies, stimulate the region's economy and increase tourism by developing and redeveloping property;
4. market the Capital City Economic Development District as a multicultural destination, create a vibrant multidimensional downtown, and support others in achieving these goals;

5. work with DECD to attract large conventions, tradeshow, exhibitions, conferences, consumer shows, and events through a sales and marketing effort coordinated with the capital region's major sports, convention, and exhibition venues;
6. encourage residential development throughout the expanded district, not just in downtown Hartford, as current law requires of CCEDA;
7. maintain and market the convention center, but not operate it, as current law requires of CCEDA;
8. stimulate family-oriented tourism, art, culture, history, education, and entertainment by cooperating and coordinating with Hartford and regional organizations;
9. manage facilities through a contractual agreement or other legal instrument;
10. enter into an agreement with the OPM secretary if he requests its assistance to relocate state offices in the capital city district; and
11. makes conforming technical changes.

§ 8 — CAPITAL CITY PROJECT

The bill broadens the scope of the capital city project, which under current law consists of:

1. a convention center project (completed),
2. a downtown higher education center (completed),
3. the renovation and rejuvenation of the civic center and coliseum complex (completed),
4. the development of riverfront infrastructure and improvements (ongoing),
5. the construction or rehabilitation of up to 1,000 downtown housing units and the demolition or redevelopment of vacant

buildings (ongoing), and

6. the addition of downtown parking (ongoing).

Under current law, all of these projects except those demolishing or redeveloping vacant buildings must be located in the Capital City Economic Development District.

The bill expands the range of projects. It increases the number of downtown housing units from 1,000 to 3,000 and allows CRDA to construct new buildings and redevelop occupied ones anywhere in Hartford.

The bill also expands the areas where CRDA can develop certain projects. It allows CRDA to develop or improve riverfront infrastructure anywhere in Hartford or East Hartford, not just in the Capital City Economic Development District, as current law allows. And it allows CRDA to demolish or redevelop vacant buildings in East Hartford, not just in Hartford, as current law allows.

§10 — EXTENDED POWERS

The bill gives CRDA mostly the same general and development-specific powers current law gives to CCEDA, including powers to plan and implement different types of capital city projects. The general powers allow CRDA to function as a quasi-public agency and include:

1. entering into contracts;
2. issuing bonds and other obligations;
3. borrowing money;
4. acquiring, leasing, and disposing of personal property;
5. employing staff; and
6. investing funds that are not immediately needed.

The development-specific powers allow CRDA to plan and implement the capital city projects in the Capital City Economic

Development District and include:

1. acquiring and disposing of property;
2. acquiring property by eminent domain, in consultation with Hartford's mayor and according to the procedures redevelopment agencies use when taking property;
3. marketing and promoting the region to attract national, regional, and local conventions, trade shows, and other events to increase the use of the use of CRDA's exhibition, sporting, and entertainment facilities;
4. planning for, acquiring, financing, constructing, developing, operating, marketing, promoting, and maintaining facilities;
5. borrowing money, issuing bonds, and entering into credit and other agreements to make the bonds more marketable;
6. collecting fees and rents from the facilities it develops;
7. engaging independent professionals, such as lawyers, accountants, and architects;
8. adopting and amending procurement procedures; and
9. receiving money, property, and labor from any source, including government sources.

§ 15 — PROJECT REVIEWS

Scope

The bill broadens CCEDA's current authority to advise state agencies about projects requesting their funds and transfers it to CRDA. Current law limits this authority to capital city projects located in the Capital City Economic Development District or the rest of Hartford. The bill extends the authority to any project in the other seven towns in the region in which CRDA has been involved.

Comment Procedure

The bill keeps the current procedure for requesting CCEDA's recommendations on proposed projects. In following that procedure, a person, business, nonprofit organization, or state or local agency applying to a state agency or the authority for funds must submit a copy of its application, along with supporting documents, to OPM and CRDA, which has up to 90 days to provide written recommendations to the funding agency. The recommendations may include contractual performance standards and project timelines.

The agency cannot spend funds until it receives these recommendations or after 90 days from the application date, whichever is sooner. It does not have to implement the recommendations, but must explain to CRDA in writing why a spending decision is inconsistent with them.

Current law ends CCEDA's authority to perform this function on July 1, 2013, but the bill eliminates this sunset date, thus requiring CRDA to perform the function indefinitely.

Coordination

The bill also transfers to CRDA CCEDA's current authority to coordinate all state and municipal planning and financial resources for capital city projects and broadens it to include all projects in the capital region.

§ 13 — PROJECT ANALYSIS

Feasibility Study

The bill requires CDRA to determine the financial feasibility of proposed development and redevelopment projects, which under the bill can be implemented anywhere in Hartford. In determining a project's feasibility, CRDA must consider proper planning, engineering, siting, construction and operational costs, and revenue and expense projections. By law, CCEDA conducted a similar study on building and operating the convention center.

Monitoring and Evaluation

The bill transfers CCEDA's monitoring duties to CRDA, but also

expands them to include all projects in East Hartford and the capital region, regardless of whether CRDA funded them.

The bill also expands CCEDA's contract compliance duties and transfers them to CRDA. Current law requires CCEDA to designate a contract officer to monitor the operations of the convention center and the convention center hotel and their related parking facilities. The bill extends these duties to any facility CRDA controls or manages.

CRDA must also review and evaluate capital city projects and any other project in the capital region that it financed. Like CCEDA under current law, CRDA must determine (1) how many jobs each project created or expects to create, (2) the cost per job, (3) the value of private investment, (4) the number of new businesses stimulated and the jobs they created, and (5) the effects on tourism. The bill also requires CRDA to measure increases in downtown Hartford's housing supply.

§ 14 — REPORTING

The bill similarly transfers CCEDA's reporting duties to CDRA, but expands them to include any project in the capital region in which CRDA has been involved. Consequently, CRDA must report annually within 90 days after the fiscal year begins (September 28), to the governor; Finance, Revenue and Bonding Committee; and state auditors on its finances, procurements, and employment. Among other things, the report must describe each project, its location, and the amount it spent on construction.

CRDA must also report annually on the status of the Adriaen's Landing project.

§ 10 — ADMINISTRATIVE SUPPORT AND SERVICES

Current law requires the OPM secretary to provide a range of administrative and support services to CCEDA through a memorandum of understanding (MOU) between the secretary and the authority. The bill transfers this authorization to CRDA and reassigns the duty to provide these services to the DECD commissioner.

Under current law, an MOU may specify the administrative and

support services that OPM will provide to CCEDA and how CCEDA will reimburse OPM. The MOU may also address contracts and accounts and specify how the management of the convention center and stadium facility (i.e., Rentschler Field) will be coordinated. The bill expands the range of facilities to include other sports, exhibition, and coliseum facilities.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Change of Reference

Yea 16 Nay 0 (03/01/2012)

Government Administration and Elections Committee

Joint Favorable

Yea 15 Nay 0 (03/29/2012)